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air over the last four decades are --

COMMISSIONER ABERNATHY: You're winding up, right?

MR. PAPPAS: I'm winding up. As struggling independents, have successful daily local newscasts and regular public affairs programming. And just last joined many others in our industry in announcing our Election 2004 Voter Awareness Initiative, a public service campaign of enhanced candidate and issue coverage in the 30 days preceding Election Day 2004. And as part of this initiative, all of our stations that are news producing will devote a minimum of five minutes per day to election issues and candidate coverage within our newscasts.

Localism is the bedrock of broadcast regulation, and it's a tribute to the genius of Congress that it designed a broadcast system to assure that local stations in local communities, not network executives in Hollywood or New York, would pick the programs for those communities.

The emphasis on localism and diversity is what made American broadcasting the envy of the free

world.

(Applause.)

MR. PAPPAS: Free over-the-air local TV has served communities across America well. With your continued support, and yours, we'll continue to provide free TV service that reflects the needs and interest of local communities for a long time to come. Thank you.

COMMISSIONER ABERNATHY: Thank you, Mr. Pappas. We're fortunate Mr. Pappas is also willing, he spends time in Washington working with us, educating us, so thank you again. And now we'll hear from Mr. Connolly about his concerns. Thank you.

MR. CONNOLLY: Thank you. I want to express my appreciation both to the Commissioners and the Commission Staff for the honor of appearing here tonight and discussing these important issues.

In seeking broad public participation in the discussion surrounding this critical public policy issue, however belatedly, the Commission is acknowledging the tremendous challenge faced in balancing corporate hunger for deregulation against

society's right to demand that the public airwaves be used to serve and protect our local communities, our artistic communities, and the free flow of information that underpins our democracy.

There can be no doubt that localism and the public interest are inextricably linked. In my role as President of the American Federation of Television and Radio Artists, I'll attempt to adequately articulate grave concerns of our nearly 80,000 members who work in the media as broadcast journalists, actors, recording artists, and other entertainers, as well.

have a lot of concerns about the continued erosion of regulatory framework broadcast industry. And I submit that the central question to be answered in this entire process is whether market-driven forces alone can ever sufficiently protect the needs and interests of local communities and individual artists, or whether an unregulated marketplace will ultimately sacrifice the free exchange of ideas representing diverse viewpoints on the altar of the corporate bottom line.

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AFTRA, along with Communications Workers of America, the Newspaper Guild, NABET, the Technicians Union and the Writers Guild of America East, representing some half-million media workers, conducted a survey of a broad cross-section of print and broadcast news professionals, and the results are quite informative.

Notwithstanding the seismic shift in their industry and the commensurate threat to their very own livelihood, this group of workers and artists overwhelmingly expressed concern not about their self interest, but rather about the loss of integrity and diversity in news coverage as a direct result of industry consolidation.

These workers surveyed overwhelmingly cited an increased emphasis on the bottom line, a declining quality of community coverage, too little focus on complex issues, and the ever-growing influence of ratings, or circulation in the newspaper business, on coverage and programming decisions. We released the survey yesterday morning at the United States Capitol.

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When asked to predict the likely impact of further deregulation, 80 percent noted that it would be likely negative. Eighty-six percent cited less diversity of viewpoints in local news coverage, 86 percent thought control of news and programming decisions would be concentrated in even fewer, too few corporate hands, 79 percent predicted corporate bias in the news, and 78 percent feared a general and continuing decline of news Seventy-five percent of these views in broadcast workers surveyed have worked in the media field for more than 10 years, and more than 50 percent of them have been affected directly by changes in ownership due to consolidation within the past 5 years.

Survey results with further interviews with broadcast journalists and workers, but you should consider making provision to protect the identity of those workers who would come forward, because unfortunately, many of our members, both those we interviewed and others, are already fearful of openly disagreeing with the new deregulatory orthodoxy; such as, single news

rooms and duopoly situations, etc. They fear for their jobs.

Now one might conclude that these results evidence little more than fear of change among entrenched union members and the unions themselves, but I submit that there are a number of concrete decisions being made in corporate boardrooms throughout this nation that give credence to all the concerns that we've raised. And I'd like to express a few tonight.

One familiar to many of us is voice tracking in radio. It has been demonstrated again and again that distant programming disguised as local programming actually corrodes local service in many radio markets, unfortunately.

(Applause.)

MR. CONNOLLY: Clear Channel Radio is the greatest example of this, owning over 1,250 stations, close to 70 percent of Clear Channel's radio broadcasts are voice-tracked from distant locations. Now if you're voice-tracking 1,200 stations or close to it with distant production, that is not local

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production.

In addition, this is now leaking over into the television business, with experiments like Sinclair Television creating central-casting. The television equivalent of voice-casting, where news and weather is being broadcast from a single national facility.

I'll wrap-up by just going to a final comment. Essentially, our unions and our members, and, I think, the public is urging a full schedule of Commission hearings like this one.

(Applause.)

MR. CONNOLLY: Hopefully, I don't mean to be churlish, but hopefully with the Chairman present. And these hearings, we believe, should examine every aspect of ownership regulation, localism, and diversity in program and voices, touching every corner of our country, and listening to the unprecedented millions of voices that have already been raised in alarm at the fraying of our media democracy, which is so crucial to the politics and integrity of our republic. Thank you.

much, Mr. Connolly. I think you struck a chord with the audience, and I want to also say thanks for the survey data. Again, that's the kind of information that we need as we move forward and decide where we go from here, so thank you again for taking the time and for your presentation. And now I'd like to introduce Kathy Baker, and have her make her presentation.

MS. BAKER: Thank you very much. Good evening, Commissioners, ladies and gentlemen. I'm pleased to be here tonight speaking about how broadcasters serve their local communities, and how my stations in particular fulfill that role.

I've been involved with local media in the Monterey market for over 24 years. I've been the General Manager of KWAV for 16 years, and KIDD for 9 years, in addition to my duties as General Manager in Monterey. I'm the Executive Vice President for Buckley Radio Overseas Stations in California, and I was the Chairman for the California Broadcasters Association in 2003.

KWAV and KIDD are privately owned. Our

parent company, Buckley Radio, owns 10 stations in California and 9 stations on the East Coast. This in many ways translates to answering to Main Street and not Wall Street. The company's philosophy has always been to be involved in local communities.

At my stations, we invest in enough personnel and resources to keep that mission alive. And we believe that it's just smart business and what the community looks for in their local radio stations. Being local creates a relationship with the audience and, therefore, makes for a successful business. It is not only the right way to be, but the smart way to be.

I was born on the Monterey Peninsula, and you don't get any more local than that. My concern for the community and our radio stations' audience carries over to my personal philosophy in running a radio station that the things that are important to the people that live and work in the community.

When Buckley Radio purchased Radio Station KIDD-AM, it had been off the air, and the owners had gone bankrupt. In 1994, we launched a nostalgia music

format, offering a style of music in a formation not previously available in the market. Over the last 9 years, KIDD has offered an outlet for local musicians to showcase their music. We have a program which runs every week called "Colony Arts," which features a local musician, music teacher, or music program.

We also have a show called "Central Coast Swing," which is dedicated to promoting local musicians, their venues, and their recordings. We have our own local band called "The Magic 63 All-Star Band," which is made up of all local musicians.

Throughout the week we will highlight and give air play to local acts, and put on our own summer music festival each year with local musicians. Our annual summer music festival is free to the public.

Both KWAV and KIDD feature locally generated newscasts along with CNN and NBC National News, public affairs programming, public service announcements, in addition to our sponsored community events and our music formats. We are heavily involved in our local community, working side by side with non-profits, governmental agencies, city governments, and

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government officials to get their message out over the airwaves.

following are just a few of The organizations we are involved in - Children's Miracle Network. Over the last two years, KWAV and KIDD have been responsible for raising over \$160,000 for a local non-profit Children's Miracle Network. importantly, letting numerous local organizations get their message in 80 hours of live out over The entire KWAV and KIDD staffs are involved in these kind of efforts.

There's an organization, Jazz Masters.

Jazz Masters is a music and education program. It's dedicated towards teaching music to the youth in our area. Working closely with Director Bruce Foreman, we're able to get the word out about his events and workshops in our area.

Bruce is a frequent live in-studio guest on our stations, and we have assisted him in many of his fundraising efforts, including recent coverage of his trip across the United States called, "Route 66 Challenge." Bruce and his band raised money for Jazz

Masters by traveling the original Route 66 and played music along the way to raise funds. We covered his travels live and on our website over a two-week period of time.

(Applause.)

MS. BAKER: Another sample of another event we're involved in is the City of Monterey's annual Fourth of July celebration. We work hand-in-hand with the city to put on a safe, entertaining Fourth of July. We run public safety tips, as well as recorded and live announcements about the event. We also provide a 20-minute musical synchronized sky concert for the fireworks show for the city. Our on-air staff participate in the day and evening activities.

Meals on Wheels, Alliance on Aging, SPCA, City of Seaside, City of Salinas, Monterey Public Library - I could go on, and on, and on. These are organizations that we work with, and also we're involved in all the chamber of commerces, or most of them, to help in our outreach program in the communities to target the needs and interests of our listening audience. We have an active participation

of staff members volunteering their time as an announcer for all kinds of events, and also on the site.

I want to thank you for the opportunity to speak here tonight. I understand the Commission's need to reach out into the local communities and get the public's feedback on the job we are doing. I can proudly say I feel we are doing a great job. This is the place I have chosen as my home, and running a business that also supports the local community is the bonus. I'm happy to answer any questions. Thank you very much.

COMMISSIONER ABERNATHY: Thank you very much, Ms. Baker, for telling us a lot about what you do here in the local community. We appreciate that. And now we'll turn to Davey D, Disc Jockey.

(Applause.)

DAVEY D: Just for people who don't know,
I've been in radio for close to 15 years, spent 11 of
them at probably one of the most influential radio
stations in the country, which was KMAO, which was a
Clear Channel affiliate. With that being said, a few

things that we need to keep in mind.

Radio, generally speaking, is very apt at doing what we call "smoke and mirrors" in the business. That means that we present an image and make it sound good, we're really good at selling things, crunching numbers, and painting this picture that really achieves our end. And the thing that we depend upon, collectively speaking, is the fact that the average person doesn't really know what goes on behind the scenes, the types of manipulation that takes place, all the types of games that are played to really paint this picture.

That being said, what happens is, is that this is boosted by the fact that you'll have very few DJs like myself who are in the professional level, who will speak out. Now I think when I spoke in Seattle, I showed my contract which said you can't speak about inner-workings of your station. I had to give up my severance package so I could continue to speak about these sorts of things. So you're not going to find your popular DJ coming to a hearing like this and saying look, these are the things that are going on,

and these are the reasons why they need to be corrected. That usually means that the spokespeople are going to be the managers or the owners, who are going to paint the rosy picture, which you often have to question is it motivated, especially this whole question about localism, is it motivated by an economic agenda, or is it really a sincere, genuine concern about what the local community needs, even if they, as owners, disagree with that. And that's where the real question comes in. So we have to keep that in mind.

The other thing that happens is that we forget when we do all this "smoke and mirrors," that all these changes that we're talking about, even if you can find radio stations that show these examples, they're not institutionalized. So yes, we can point all across the country and say this DJ at this station, he showed all the public love for us. Or that radio station, they did a nice thing - they did a concert and all that, but is it institutionalized? What happens if that local DJ, who's doing the favor for y'all, doesn't like you? What happens if the

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1 radio station that owns 12 in the market decides that 2 they don't feel your organization, because you are 3 organizing and doing all this activist work to result in these type of hearings, you might not be on the 4 5 airwaves, and you won't have access to the public. 6 you have to have these things institutionalized. 7 just can't be nice guys doing you a favor. 8 problem.

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(Applause.)

DAVEY D: The other thing that you have to keep in mind, a lot of these cosmetic changes to me are designed to placate people in the halls of power. So in other words, we can paint the picture and say we got the ratings, we got all these things that we're doing, but the problem still stands. I've been to a lot of hearings over the past couple of years. Every time, whether it's in Seattle, San Francisco, here, you name it, the halls are always packed, standing room only. And a lot of people are just really upset, so even if you can present the nice picture, it doesn't eliminate the problem which is evident by you being here, so we have to keep that in mind.

Finally, a couple of other things I would say is that, oftentimes, radio plays this "winner-take- all" mentality. I think the woman down at the end - I forgot your name - mentioned the thing about significant audience. Okay. Let's say 51 percent of the audience agrees with what the stations want. They want more consolidation and all these different things. What about the other 49? Are they just out of luck? Do they have any recourse? Do their issues no longer matter? We're talking about a situation where we live in a country where we're supposed to be able to vigorously debate the issues, vigorously flush these things out and really have an exchange.

If it's just a situation where "winner-take-all," and then everybody else we just try to act like they don't exist, and paint this picture like they never even protested, or brought these issues up, we're still going to have the problem.

(Applause.)

DAVEY D: I'll give you an example. In Detroit, in Chicago, in Cleveland, in Kansas City, in New York, you had community organizations, significant

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numbers that have launched boycotts against radio There was the "Turn Off The Radio" stations. campaign, there was the "Black Out Friday" in Detroit, there was the Chicago situation - all these things where you were just looking around and seeing everywhere you go people having the same problems, especially in the urban realm, but none of the radio stations talked about it. You didn't see it on the local news coverage. You didn't see any of these things, so then when you come to a hearing like this and start to mention it, people go well, I never heard this before, which goes back to my first point; that if you can cultivate a learned behavior, condition people just to accept what you continuously feed them, even if it's mediocre, they don't know until you start to point out all the things that have been omitted.

You know, for example, Clear Channel in San Francisco after 9/11 put up a dozen posters on all their billboards and had all these public affairs advertisements going on about give to the Clear Channel Fund. Be patriotic. It was only when somebody on the inside like me pointed out and said

hey, did you notice that they didn't tell you about one voter registration campaign, didn't interview one candidate on any of the stations, didn't do any sort of election coverage or encouragement to a community that where you have 70 percent of the people not voting came the March 7th primary after 9/11. And people are looking around and going yeah, you know what - they didn't do that. And so this goes back to the seriousness of this problem.

This is not a thing of trying to make ourselves look good if we're media owners or if we're in the media. This is very serious business for a lot of people, very serious business. I feel even trapped because I only have five minutes to explain so much, where there are a whole lot of people who have protested, who have done studies, who have gone back and forth in sending delegations to the stations, and doing all types of things to bring out this type of awareness, and they're not even here to explain themselves, and talk about the organizing and the challenges that they faced, and how every single time they were rebuffed.

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If you listen to the radio stations in San Francisco, some of the key things that people are complaining about, local artists not getting played. That was the basis for all the boycotts in the cities I mentioned. Some of the community access that a lot of key organizations, other than one or two that got on the airwaves had, they didn't have access. So now you see some of these cosmetic changes. But what they don't tell you is that it didn't come after all these protests and everything. It only came when another radio station came into town and said we'll fill the Then, you can listen to all the local groups, all the public then you can hear service announcements, then that same radio station that was turning away dozens of people at a time and ignoring all these important issues, suddenly they want to be your best friend, and we're supposed to buy into it and say yes, sign on the check and give them whatever they want.

This has got to stop. It goes beyond just a few sound bites at a hearing. It goes beyond just a few station owners touting what they can do, giving

anecdotal evidence, and then making everybody think that that's the way it is all across the country. There's serious prices that you pay if you're on the inside of these stations and you speak out against it. You won't find anybody who's working for any of these big major corporations speaking out. At all the hearings we've been at, have you seen any of them? I mean, you've been at these things, you all see it - because you get blackballed in the industry, where it's increasingly getting smaller, and the competition is less and less. So everybody keeps their mouth shut, and then we have this illusion that everything is A-okay.

There's so much more I could add. We don't have a whole lot of time. I'll answer questions. I will say one thing, that there was a study that was done, and I'll just conclude with this, because this was something that wasn't covered locally by the TV stations or the radio stations.

You had a group of people, mostly twentysomething year olds, those type of people who you say are apathetic, the hip-hop audience that doesn't do

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anything except rap and wear fat gold chains, they put together a study after listening and monitoring the local radio stations in their community for a couple of months, came up with a set of recommendations, conclusions, talked about it, put it in the paper, passed it out to everybody. Not only did it not get covered on the local media, but then when these changes that they recommended started to come, the very people who organized were not part of the process when it came time to seating people at the table; which means that there was a punitive action against those who organized. And so people who are getting air play and access now, they're the ones that didn't even organize in the first place, which is a shame, so that you still have the same problem in those very key issues not being addressed. Thanks a lot.

much, Davey D, for taking the time and having the courage to come here. You breezed through the clock and I didn't even know it because I was paying such close attention. And I want to thank you again for all your information and what you said. And let's

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keep moving, so we can get to the open mic. At this time, I'd like to introduce Ms. Saldivar.

MS. SALDIVAR: Yes, after this great speech, I would like to talk about the situation of the Latino population in this country, and how the media doesn't represent us how we are and how we don't have access, and what we should have.

(Speaking Spanish)

MS. SALDIVAR: I wish to express my gratitude to the Commission for allowing myself and other committee members to submit testimony on the important issue of industry deregulation. My name is Delia Saldivar. I'm a Mexican immigrant and resident of Monterey County, California. I'm the Manager of KHDC-FM, a Latino-controlled public radio station in Salinas, and part of Radio Bilingue, Inc., a statewide of five full-power FM stations serving California. We're affiliated in California in South Salinas, Mexico and Puerto Rico.

We broadcast 24 hours a day and 7 days a week with music and informational programming to benefit our community. We broadcast in Spanish,

Mixteco, Trici (phonetic), Hawaiian, Filipino, Latino and also some English. Some languages are native languages for people who come from other countries to the United States. We are a community-based station and guided by our mission to provide information and access to our community through the radio airwaves.

There is a growing need by our diverse community for ethnic controlled media in California and across the United States. Through my comments, I would like to focus on how the Latino community in California and nationwide can use media outlets to address issues such as health in a linguistically and culturally competent way.

Currently, one-third, 32 percent, of California's population is Latino. Over two-thirds, 70 percent of this population is of Mexican descent, with 45 percent being foreign-born. The Latino population continues to be one of the fastest growing in our state. California's Hispanic origin population is expected to double between 1995 and 2025, and accounts for one-third of the nation's total Hispanic population. By 2025, Hispanics are projected to be

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the largest race or ethnic group in California, comprising 43 percent of the population.

According to the 2000 census, some California counties are already a majority Latino as in Tulare and Imperial counties. The majority of this population prefers to communicate in Spanish, refers to Spanish as their language, primary language, and their language of comfort. However, the number of radio outlets, commercial and non-commercials, that owned or controlled by Mexican-Americans in California is zero, except for radio stations.

The radio airwaves should be used to benefit the public and to address pressing issues. One of these issues is health. The level of health disparities in the Latino community is shocking. Currently, 1.2 million Latinos of Mexican ancestry in the United States have been diagnosed with diabetes. Cardiovascular disease is a leading cause of death among Latinos in California and nationwide.

A lot stations will broadcast programs and messages to inform our Spanish speaking listeners about ways to get health care for themselves and their